

Statement of Congressman Cass Ballenger (R-NC) Retired

Hearing: Trade Agreements with Latin America

**Subcommittee on the Western Hemisphere
House International Relations Committee**

April 13, 2005

Thank you Mr. Chairman,

It's a bit strange for me to speaking from this side of the dais. But, I suppose it is a relief too!

Mr. Chairman, thank you for inviting me to testify this afternoon. As you know, I served as the Chairman of the Subcommittee during the past four years before I retired from Congress in January. As you know, Mr. Chairman, Central America has come a long way. In the over 35 years I have been active in the region, I have seen bloody civil wars give way to peace, brutal dictatorships become democracies, and hope spring from hopelessness.

While Central America still suffers from the chronic problems of poverty and other social ills, it seems ready to turn the page and begin a new chapter, one where political stability and economic opportunities take the place of violence and economic stagnation. In my considered opinion, we have a real opportunity to do some good in Central America. That is why I believe Congress should pass DR-CAFTA now.

After the wars in Central America came to a merciful end, the United States began developing strategies to improve the economies of Central America and the Caribbean. Trade agreements such as the Caribbean Basin Initiative or CBI, were ratified, generously giving Central American and Caribbean nations duty-free access to American markets as a way to build them up. Such access allowed these nations to produce and export a variety of goods to this country without facing crippling tariffs. This strategy seemed to work. But, now it is time for all nations to share duty-free access.

I believe that DR-CAFTA is the ideal way to continue our good economic relationships with Central America and the Dominican Republic. It provides a level playing field whereby goods from either region can have equal access to the markets. While some have criticized DR-CAFTA as a threat to American jobs, I believe it will actually protect the jobs we already have and maybe even provide more jobs as the agreement goes into effect.

In my home state of North Carolina, for example, textiles were once the primary product. Over the years, competition from China and other places steadily reduced the

number of jobs in this vital industry. Even before DR-CAFTA, jobs were being exported. Under DR-CAFTA, sewing machines, now in Central America will likely stay there, making the clothes we wear today. DR-CAFTA will continue to require American yarn and fabric to be used to sew clothing bound for the American market. DR CAFTA will keep textile jobs both here and in Central America and the Dominican Republic. Without DR-CAFTA, these jobs will most certainly go to China or elsewhere taking our jobs, and those of our neighbors with them.

Mr. Chairman, if we are intent on keeping American jobs here, and help keep jobs in Central America, we must pass DR-CAFTA now.

Thanks You Mr. Chairman.